



FEMA

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News Release

FUNDS MAY BE AVAILABLE TO REBUILD TO NFIP REQUIREMENTS

ESSEX JUNCTION, Vt. – Your home or business was badly damaged during the spring 2011 floods or Tropical Storm Irene and you are ready to repair or rebuild. But when you apply for a building permit, you find out you are required to meet your community's floodplain management ordinance. What to do?

To help you meet the cost of complying with your local floodplain requirements, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance (ICC) coverage in most new and renewed standard flood insurance policies. Flood insurance policyholders in high-risk areas, also known as special flood hazard areas, can get up to \$30,000 to help pay the costs to bring their property into compliance with their community's floodplain ordinance.

Not only are funds available to assist making homes or businesses NFIP-compliant, implementing these measures can help you alleviate or prevent future losses.

Communities that participate in the NFIP agree to adopt and enforce a floodplain management ordinance to reduce or eliminate loss of life and property. When a community determines that a structure within its jurisdiction, located in a special flood hazard area, is substantially damaged, the community requires the property owner to obtain a special floodplain building permit before beginning reconstruction. The floodplain building permit outlines the requirements necessary to comply with the community's adopted and enforced floodplain management ordinance.

There are four available options (which can be combined) that you will want to discuss with your local officials to decide which is best for you.

1. **Elevation:** Raise your home or business to, or above, the flood elevation level adopted by your community.
2. **Relocation:** Move your home or business out of harm's way.
3. **Demolition:** Tear down and remove flood-damaged buildings.

4. **Floodproofing** (Mostly for non-residential buildings): Make a building watertight through a combination of adjustments or additional features that reduces the potential for flood damage.

You may file a claim for Increased Cost of Compliance if:

- Your community determines that your home or business is damaged by a flood to the point that repairs will cost 50 percent or more of the building's pre-damage market value. This is called "substantial damage."
- Your community has adopted a repetitive loss provision, and determines the home or business was damaged by flood two times in the past 10 years, where the cost of repairing the flood damage (on the average) equaled or exceeded 25 percent of its market value at the time of each flood. This is called "repetitive damage." In addition, there must have been NFIP flood insurance claim payments for each of the two flood losses.

ICC claims are adjusted separately from flood damage claims filed under Standard Flood Insurance Policies. There are some exceptions to ICC funding including condo units, group policies, and auxiliary structures (unless covered by a separate policy).

After consulting with local officials on the floodplain ordinances you will have to meet, contact the insurance company or agent who wrote your flood policy to file an ICC claim. Your insurer will assign a claims representative who will help you process your ICC claim. You should start getting estimates from contractors to take the necessary steps to elevate, relocate, flood-proof or demolish the structure.

For more information on ICC coverage, call your insurance company or agent or call the NFIP toll-free at 1-800-427-4661 or (for those with speech or hearing impairments) 1-800-427-5593. Additional information is also available at www.fema.gov and www.fema.gov/plan/prevent/floodplain/ICC.shtm.

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